

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Dutra Analyst: Darrine Distefano Bill Number: AB 79

Related Bills: See Prior Analysis Telephone: 845-6458 Amended Date: 03-19-2003

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** State Agencies/Reports to the Legislature

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED December 23, 2002 STILL APPLIES.

☒ OTHER - See comments below.

## SUMMARY

This bill would limit the number of reports made to the Legislature or Governor by state and local agencies.

## SUMMARY OF AMENDMENT

The March 19, 2003, amendment lists several reports that would continue to be prepared and submitted to the Legislature or Governor. One report (Government Code Section 7085) is the Enterprise Zone (EZ) report prepared by the Technology, Trade, and Commerce Agency (TTCA) on the effectiveness of the program on employment, investment, and incomes, and on state and local tax revenues in designated EZs. The Franchise Tax Board (FTB) is required to submit information to TTCA and the Legislature on the dollar amount of EZ tax credits claimed each year. The implementation considerations discussed in the department's prior analysis still applies and are included below for the author's convenience. The amendment creates a technical consideration that is also discussed below.

The department's analysis of this bill as introduced December 23, 2002, still applies.

## POSITION

Pending.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director  
Brian Putler

Date  
04/07/03

### IMPLEMENTATION CONSIDERATIONS

The bill is not clear if the exception for reports expressly required by the Legislature includes all reports that are mandated by law. If so, an agency would still be required to prepare such reports; therefore, the author's intent of reducing agency and departmental costs may not be fully realized.

Under the previous law (AB 116, Speier, Stat. 1996, Ch. 970), it was not clear if an agency should have continued to collect information for suspended reports. Although this bill would limit preparation or submission of reports to specific circumstances, it is expected that under this bill FTB would continue the data collection, research, and documentation necessary for its programs and for other state agencies that would continue to request the information. For example, FTB is required annually to report the changes made by Congress to the Internal Revenue Code. This report provides the information needed to consider whether state law should be conformed to the federal changes. This bill may supersede the present requirement that this report be published. However, it would still be necessary for this data to be developed and would be available to the Legislature. Therefore, implementing this bill would not significantly impact FTB's programs and operations.

### TECHNICAL CONSIDERATIONS

The amendment appears to have created an internal conflict between the two subdivisions. Subdivision (a) would no longer require a report to be submitted unless "the report is specified in subdivision (b)." The beginning phrase in subdivision (b), "Except as specified in subdivision (a)," seems to contradict that sentence under subdivision (a). The author may wish to delete the first phrase of subdivision (b) or replace it with the term "notwithstanding."

### **LEGISLATIVE STAFF CONTACT**

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